



## **RADIANT GLOBALTECH BERHAD**

*(Company No. 621297-A)*

*(Incorporated in Malaysia)*

### **INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018**

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RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)

**UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018<sup>(1)</sup>**

	CURRENT YEAR QUARTER 31.12.18 RM'000	PRECEDING YEAR QUARTER <sup>(2)</sup> 31.12.17 RM'000	CURRENT YEAR TO DATE 31.12.18 RM'000	PRECEDING YEAR TO DATE <sup>(2)</sup> 31.12.17 RM'000
Revenue	14,350	N/A	61,876	N/A
Cost of sales	(8,214)	N/A	(34,010)	N/A
Gross profit	6,136	N/A	27,866	N/A
Other income	368	N/A	877	N/A
	6,504	N/A	28,743	N/A
Selling and distribution expenses	(289)	N/A	(388)	N/A
Administrative expenses	(1,532)	N/A	(5,070)	N/A
Staff costs	(3,823)	N/A	(16,321)	N/A
Other expenses	(384)	N/A	(2,074)	N/A
Finance costs	(155)	N/A	(571)	N/A
Share of net losses of equity accounted in an associate	(102)	N/A	(140)	N/A
Profit before taxation	219	N/A	4,179	N/A
Income tax expense	(118)	N/A	(1,166)	N/A
<b>Profit after taxation</b>	101	N/A	3,013	N/A
Other comprehensive (loss) / income, net of tax				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	(1)	N/A	7	N/A
<b>Total comprehensive income for the financial period</b>	100	N/A	3,020	N/A
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>				
Owners of the Company	101	N/A	3,013	N/A
	101	N/A	3,013	N/A
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>				
Owners of the Company	100	N/A	3,020	N/A
	100	N/A	3,020	N/A

**RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)**
**UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018<sup>(1)</sup> (CONT'D)**

	<b>CURRENT YEAR QUARTER 31.12.18 RM'000</b>	<b>PRECEDING YEAR QUARTER<sup>(2)</sup> 31.12.17 RM'000</b>	<b>CURRENT YEAR TO DATE 31.12.18 RM'000</b>	<b>PRECEDING YEAR TO DATE<sup>(2)</sup> 31.12.17 RM'000</b>
<b>Earnings per share attributable to owners of the Company:-</b>				
- Basic (Sen)	0.02 <sup>(3)</sup>	N/A	0.57 <sup>(3)</sup>	N/A
- Diluted (Sen)	<u>0.02<sup>(3)</sup></u>	<u>N/A</u>	<u>0.57<sup>(3)</sup></u>	<u>N/A</u>

**Notes:**

- (1) The basis of preparation of the Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 June 2018 and the accompanying explanatory notes attached to the interim financial report.
- (2) No comparative figures for the preceding year's quarter and year-to-date is available as this is the first interim financial report on the consolidated results for the fourth quarter ended 31 December 2018 announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").
- (3) Based on the Company's weighted average number of ordinary shares as at 31 December 2018.
- N/A Not applicable

**RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)**  
**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2018<sup>(1)</sup>**

	<b>31.12.18</b> <b>Unaudited</b> <b>RM'000</b>	<b>31.12.17</b> <b>Audited</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Investment in an associate	202	342
Property, plant and equipment	11,167	11,107
Deferred tax asset	591	490
	<u>11,960</u>	<u>11,939</u>
<b>CURRENT ASSETS</b>		
Inventories	6,078	9,698
Trade receivables	13,219	22,903
Other receivables, deposits and prepayments	5,262	2,102
Amount owing by related parties	187	53
Current tax assets	2,044	904
Fixed deposits with licensed banks	18,610	1,524
Cash and bank balances	17,023	10,285
	<u>62,423</u>	<u>47,469</u>
<b>TOTAL ASSETS</b>	<u>74,383</u>	<u>59,408</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	48,153	19,856
Merger deficit	(13,681)	(13,681)
Foreign exchange translation reserve	(234)	(241)
Retained profits	24,439	21,426
<b>TOTAL EQUITY</b>	<u>58,677</u>	<u>27,360</u>
<b>NON-CURRENT LIABILITIES</b>		
Hire purchase payables	497	667
Term loans	1,415	8,258
Deferred revenue	597	542
	<u>2,509</u>	<u>9,467</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	4,009	12,084
Other payables and accruals	8,231	9,006
Amount owing to related parties	16	49
Hire purchase payables	170	161
Term loans	592	1,113
Current tax liabilities	179	168
	<u>13,197</u>	<u>22,581</u>
<b>TOTAL LIABILITIES</b>	<u>15,706</u>	<u>32,048</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>74,383</u>	<u>59,408</u>
Number of issued shares ('000)	525,200	397,120
Net asset per share (Sen)	<u>11.17</u>	<u>6.89</u>

**Note:**

- (1) The basis of preparation of the Unaudited Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 June 2018 and the accompanying explanatory notes attached to the interim financial report.

RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018<sup>(1)</sup>

	Share Capital	<----- Non-Distributable -----> Merger Deficit	Foreign Exchange Translation Reserve	Distributable Retained Profits	Attributable to Owners of the Company
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 01.01.17	1,675	-	(147)	21,816	23,344
Profit after taxation	-	-	-	7,110	7,110
Other comprehensive income/(expense) for the financial year					
- Foreign currency translation differences	-	-	(94)	-	(94)
Total comprehensive income for the financial year	-	-	(94)	7,110	7,016
Contribution by and distribution to owners of the Company:					
- Bonus issue	4,500	-	-	(4,500)	-
- Issuance of shares	15,206	-	-	-	15,206
- Dividends	-	-	-	(3,000)	(3,000)
- Adjustment on the acquisition of RG Malaysia and its subsidiary, RG Solutions and RG Cambodia	(1,525)	(13,681)	-	-	(15,206)
	18,181	(13,681)	-	(7,500)	(3,000)
<b>Balance as at 31.12.17 (Audited)</b>	<b>19,856</b>	<b>(13,681)</b>	<b>(241)</b>	<b>21,426</b>	<b>27,360</b>
Balance as at 01.01.18	19,856	(13,681)	(241)	21,426	27,360
Profit after taxation	-	-	-	3,013	3,013
Other comprehensive income for the financial year					
- Foreign currency translation differences	-	-	7	-	7
Total comprehensive income for the financial year	-	-	7	3,013	3,020
Contribution by and distribution to owners of the Company:					
- Issuance of shares	29,458	-	-	-	29,458
- IPO expenses	(1,161)	-	-	-	(1,161)
	28,297	-	-	-	28,297
<b>Balance as at 31.12.18 (Unaudited)</b>	<b>48,153</b>	<b>(13,681)</b>	<b>(234)</b>	<b>24,439</b>	<b>58,677</b>

**Note:**

- (1) The basis of preparation of the Unaudited Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 June 2018 and the accompanying explanatory notes attached to the interim financial report.

**RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018<sup>(1)</sup>**

	<b>CURRENT YEAR TO DATE 31.12.18 RM'000</b>	<b>PRECEDING YEAR TO DATE 31.12.17 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,179	9,003
Adjustments for:		
Depreciation of property, plant and equipment	672	606
Gain on disposal of a subsidiary	-	(8)
Interest income	(527)	(89)
Interest expenses	571	617
Impairment losses on trade receivables	157	38
Inventories written down	-	145
Listing Expenses	1,096	957
Share of net losses of equity accounted in an associate	140	158
Unrealised loss on foreign exchange	23	43
Writeback of impairment on inventories	-	(261)
Writeback of impairment losses on trade receivable	(328)	(507)
Operating profit before working capital changes	5,983	10,702
Decrease / (Increase) in inventories	3,613	(1,800)
Decrease in trade and other receivables	6,442	433
(Decrease) / Increase in trade and other payables	(8,811)	1,252
(Increase) / Decrease in amount owing by related parties	(134)	2,259
Decrease in amount owing to related parties	(26)	(2,767)
<b>CASH FROM OPERATIONS</b>	7,067	10,079
Income tax paid	(2,393)	(3,414)
Interest paid	(571)	(617)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	4,103	6,048
<b>CASH FLOWS (FOR) / FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(732)	(281)
Interest received	527	89
Disposal of a subsidiary, net of cash	-	11
Repayment from related parties	-	855
Investment in an associate	-	(500)
Decrease in pledged fixed deposits with licensed banks	-	434
<b>NET CASH (FOR) / FROM INVESTING ACTIVITIES</b>	(205)	608
<b>CASH FLOWS FROM / (FOR) FINANCING ACTIVITIES</b>		
Repayment of bankers' acceptance	-	(397)
Payment of listing expenses	(1,948)	(1,266)
Proceed from issuance of ordinary shares	29,458	
Repayment to related parties	-	(201)
Repayment of term loans	(7,364)	(778)
Repayment of hire purchase obligations	(162)	(144)
Repayment to directors	-	(3,930)
Dividend paid	-	(3,000)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	19,984	(9,716)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	23,882	(3,060)
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	(57)	(340)

**RADIANT GLOBALTECH BERHAD (COMPANY NO. 621297-A)**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018<sup>(1)</sup>**

	<b>CURRENT YEAR TO DATE 31.12.18 RM'000</b>	<b>PRECEDING YEAR TO DATE 31.12.17 RM'000</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	10,861	14,261
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>34,686</u>	<u>10,861</u>

**Note:**

- (1) The basis of preparation of the Unaudited Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 June 2018 and the accompanying explanatory notes attached to the interim financial report.



**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018****A1. Basis of Preparation**

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting, International Financial Reporting Standards ("IFRS") 34, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements.

This is the first interim financial report on the Company's consolidated results for the fourth quarter ended 31 December 2018 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.

This interim financial report should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 June 2018.

**A2. Changes in Accounting Policies**

The accounting policies and methods of computation adopted by the Group in this interim financial report is consistent with those adopted in the audited financial statements for financial year ended 31 December 2017 except for the adoption of the following Malaysian Financial Reporting Standards ("MFRS") and Amendments to MFRS which came into effect for annual periods beginning on or after 1 January 2018 and are applicable for the Group's interim financial report for the quarter and year-to-date ended 31 December 2018, as disclosed below:

**MFRSs and/or Interpretations (including the Consequential Amendments)**

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 15: Effective Date of MFRS 15

Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'

Amendments to MFRS 140 – Transfers of Investment Property

Annual Improvements to MFRS Standards 2014 – 2016 Cycles:

- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
- Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) do not have any material impact on the financial performance and position of the Group upon their initial application.

**A2. Changes in Accounting Policies (Cont'd)**

MFRS 9 (IFRS issued by IASB in July 2014) replaces the existing guidance in MFRS 139 bringing together all three aspects of accounting for financial instruments as below while retaining certain principles in MFRS 139:

- classification and measurement of financial assets;
- a forward-looking impairment model; and
- a new approach for hedge accounting.

Based on the preliminary assessment of the adoption of MFRS 9, there is no material impact on the financial statements of the Group upon its application of the new impairment model in relation to the Group's financial assets which comprise mainly receivables. The assessment takes into consideration the Group's historical exposure to credit risk as well as the economic environment in which the Group is operating.

MFRS 15 establishes a single comprehensive model for revenue recognition and replaces the guidance in MFRS 111: Construction Contracts, MFRS 118: Revenue, IC Interpretation 13: Customer Loyalty Programmes, IC Interpretation 15: Agreements for Construction of Real Estate, IC Interpretation 18: Transfer of Assets from Customers and IC Interpretation 131: Revenue - Barter Transactions involving Advertising Services. MFRS 15 provides a single model for accounting for revenue arising from contracts with customers, focusing on the identification and satisfaction of performance obligations, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. Based on the preliminary assessment of the adoption of MFRS 15, there is no material impact on the financial statements of the adoption of MFRS 15 of the Group upon its application.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year ended 31 December 2018:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective for annual periods on or after</b>
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015 - 2017 Cycles	1 January 2019
MFRS 16 Leases	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018 (CONT'D)**

**A2. Changes in Accounting Policies (Cont'd)**

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is not expected to have a material impact on the financial statements of the Group upon their initial application.

**A3. Auditors' Report**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2017.

**A4. Seasonal or Cyclical Factors**

The business operations of the Group during the current financial quarter under review have not been materially affected by any seasonal or cyclical factors.

**A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items for the current financial quarter under review.

**A6. Changes in Estimates**

There were no material changes in estimates for the current financial quarter under review.

**A7. Debt and Equity Securities**

Other than the issuance of new ordinary shares pursuant to the Company's Initial Public Offering and listing on the ACE Market of Bursa Securities as disclosed below, there were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial quarter under review.

	<b>Number of shares '000</b>	<b>RM'000</b>
<b>Issued and Fully Paid-Up</b>		
At 1 January 2018	397,120	19,856
Issuance of new ordinary shares	128,080	29,458
Share issuance expenses	-	(1,161)
At 31 December 2018	<u>525,200</u>	<u>48,153</u>

**A8. Dividends Paid**

There was no payment of dividend during the current financial quarter under review.

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018 (CONT'D)**
**A9. Segmental Reporting**

The Group's operating segments information are as follows:-

	<b>Hardware and Maintenance RM'000</b>	<b>Software RM'000</b>	<b>Group RM'000</b>
<b>Current year quarter ended 31 December 2018</b>			
<b>Revenue</b>			
External revenue	12,373	1,977	14,350
Inter-segment revenue	410	377	787
	<u>12,783</u>	<u>2,354</u>	<u>15,137</u>
Consolidated adjustments			(787)
Consolidated revenue			<u>14,350</u>
<b>Results</b>			
Segmental profit/(loss) before interest and taxation	212	(54) <sup>(1)</sup>	158
Interest income			318
Share of net losses of equity accounted in an Associate			(102)
Finance costs			<u>(155)</u>
Consolidated profit before taxation			219
Income tax expense			<u>(118)</u>
Consolidated profit after taxation			<u>101</u>
	<b>Hardware and Maintenance RM'000</b>	<b>Software RM'000</b>	<b>Group RM'000</b>
<b>Current year to date ended 31 December 2018</b>			
<b>Revenue</b>			
External revenue	53,363	8,513	61,876
Inter-segment revenue	818	1,261	2,079
	<u>54,181</u>	<u>9,774</u>	<u>63,955</u>
Consolidated adjustments			(2,079)
Consolidated revenue			<u>61,876</u>
<b>Results</b>			
Segmental profit before interest and taxation	4,205	158 <sup>(1)</sup>	4,363
Interest income			527
Share of net losses of equity accounted in an Associate			(140)
Finance costs			<u>(571)</u>
Consolidated profit before taxation			4,179
Income tax expense			<u>(1,166)</u>
Consolidated profit after taxation			<u>3,013</u>

**Note:**

(1) Inclusive of IPO related expenses amounting to RM0.009 million for the current quarter and RM1.096 million for the current year to date.

**A9. Segmental Reporting (cont'd)**

No comparative figures for the preceding year's quarter is available as this is the first interim financial report on the consolidated results for the fourth quarter ended 31 December 2018 announced by the Company in compliance with the Listing Requirements.

**A10. Significant Events Subsequent to the End of the Interim Financial Period**

There were no other significant events subsequent to 31 December 2018 other than below:

- a) The company had on 14 January 2019 entered into a Share Sale Agreement ("SSA") with Incredible QR Sdn. Bhd. to dispose 500,000 ordinary shares in Symple Apps Sdn. Bhd. ("SASB") for a total cash consideration of RM500,000. The transaction was completed on 23 January 2019. Upon completion of the disposal, SASB ceased to be an associate company of RGTECH.
- b) The company had on 19 December 2018 entered into a SSA with Chong Jen Tsin to acquire 650,000 ordinary shares in Infoconnect Commerce Sdn. Bhd. ("ICSB") for a total cash consideration of RM650,000. The transaction was completed on 3 January 2019. Upon completion of the acquisition, ICSB became a wholly-owned subsidiary of RGTECH.
- c) The company had on 19 December 2018 entered into a SSA with Iconpos Sdn. Bhd. to acquire 1,400,000 ordinary shares in Adaptive POS Sdn. Bhd. ("APSB") for a total cash consideration of RM1,400,000. The transaction was completed on 3 January 2019. Upon completion of the acquisition, APSB became a 70% owned subsidiary of RGTECH.

**A11. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current financial quarter under review.

**A12. Fair Value of Financial Instruments**

There were no gain or losses arising from fair value changes for all financial assets and liabilities for the current financial quarter under review.

**A13. Capital Commitments**

There were no capital commitments for the current financial quarter under review are as follows.

**A14. Operating Lease Commitment**

The future minimum lease payments under non-cancellable operating leases are as follows:-

	<b>Unaudited 31.12.18 RM'000</b>	<b>Audited 31.12.17 RM'000</b>
Not later than 1 year	124	N/A
Later than 1 year and not later than 5 years	153	N/A
	<u>277</u>	<u>N/A</u>

**A15. Contingent Liabilities**

The Group has no contingent liabilities as at the date of this report.

**A16. Related Party Transactions**

During the current financial quarter, the Board of Directors is of the opinion that there were no material related party transactions which would have a significant impact on the financial position and business of the Group.

**B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**B1. Review of Group Performance**

For the fourth quarter ended 31 December 2018 (4Q18), the Group reported revenue of RM14.4 million and profit before tax of RM0.219 million.

Of total 4Q18 revenue, RM12.4 million or 85.7% was contributed by the Hardware and Maintenance segment, while the balance RM2.0 million was derived from the Software segment.

There are no comparative figures for the quarter and cumulative period in the previous year, as this is the Group's first interim financial report on consolidated results for the fourth quarter ended 31 December 2018 announced in compliance with the Listing Requirements of Bursa Securities.

**B2. Comparison with Immediate Preceding Quarter Results**

	Quarter Ended		<--- Changes --->	
	31.12.18 RM'000	30.09.18 RM'000	RM'000	%
Revenue	14,350	14,946	-596	-4.0
Profit before tax	<u>219</u>	<u>1,280</u>	<u>-1,061</u>	<u>-82.9</u>

The Group's revenue of RM14.4 million for the current quarter under review was 4.0% lower than the RM14.9 million recorded in the previous quarter. The Group's profit before tax of RM0.2 million decreased by 82.9% from RM1.3 million achieved in the previous quarter. The dip in revenue and profit before tax in 4Q18 were mainly due to inventories impairment and increased in expenses during the quarter.

**B3. Prospects**

The Board is optimistic of its prospects in the future, driven by a two-pronged strategy of expanding its regional footprint and increasing customer base.

The Group targets to continue its expansion in South East Asia with near term focus on the Indonesian market to complement its existing presence in Cambodia and Vietnam. This is on the back of the region's large population, rapid urbanisation and strong economic growth, which are anticipated to lead retailers to convert from manual systems to automated retail technology solutions.

The Group also intends to diversify its customer base to different retail customer types such as shopping centre retailers, airport retailers and utility retailers. The Group is also hopeful of securing opportunities to serve food and beverage (F&B) retail chains directly, leveraging on its current scope of services provided through third parties. This move would allow the Group to grow alongside the recession-proof sector and cement its position in the retail technology solutions sector.

**B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B4. Profit Forecast**

The Group did not issue any profit forecast or guarantee during the current financial quarter and financial year under review.

**B5. Income Tax Expense**

The breakdown of income tax expense are as follows:-

	Quarter Ended		Year-To-Date Ended	
	31.12.18 <sup>(3)</sup>	31.12.17 <sup>(1)</sup>	31.12.18 <sup>(3)</sup>	31.12.17 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Income tax expense	(230)	N/A	1,044	N/A
Under provision in previous financial year	61	N/A	220	N/A
Deferred tax liabilities / (assets)	287	N/A	(98)	N/A
	<u>118</u>	<u>N/A</u>	<u>1,166</u>	<u>N/A</u>
Effective tax rate (%) <sup>(2)</sup>	<u>53.88</u>	<u>N/A</u>	<u>27.90</u>	<u>N/A</u>

**Notes:**

- (1) No comparative figures for the preceding year's quarter and year-to-date is available as this is the first interim financial report on the consolidated results for the fourth quarter ended 31 December 2018 announced by the Company in compliance with the Listing Requirements.
- (2) The Group's effective tax rate for the fourth quarter ended 31 December 2018 of 53.88% is higher than the statutory tax rate of 24.00% and is mainly due to under provision of taxation in prior years.
- (3) Income tax expense is recognised based on management's best estimate.

N/A Not applicable

**B6. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this report.



**B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**
**B7. Use of Proceeds Raised from IPO**

The gross proceeds raised from the IPO of RM29.46 million and status of utilisation as at 31 December 2018 is disclosed in the following table:

No.	Purpose	Proposed utilisation		Actual utilisation		Intended timeframe for utilisation (from the listing date)
		RM'000	%	RM'000		
i.	<b>Business and Capital expansion:-</b>	<b>11,600</b>	<b>39.38</b>	<b>-</b>		<b>Within 24 months</b>
	- <i>Malaysia operation</i>	<i>10,000</i>	<i>33.95</i>	<i>-</i>		
	- <i>RG Vietnam's business</i>	<i>1,600</i>	<i>5.43</i>	<i>-</i>		
iii.	<b>Working capital:-</b>	<b>4,757</b>	<b>16.15</b>	<b>17</b>		<b>Within 24 months</b>
	- <i>Operating expenses</i>	<i>1,457</i>	<i>4.95</i>	<i>-</i>		
	- <i>Payment of inventories</i>	<i>1,500</i>	<i>5.09</i>	<i>-</i>		
	- <i>Payroll expenses</i>	<i>1,800</i>	<i>6.11</i>	<i>17</i>		
iii.	<b>Expansion of retail software business:-</b>	<b>3,000</b>	<b>10.18</b>	<b>84</b>		<b>Within 24 months</b>
	- <i>Advertising and marketing costs</i>	<i>1,200</i>	<i>4.07</i>	<i>-</i>		
	- <i>Payroll expenses</i>	<i>1,800</i>	<i>6.11</i>	<i>84</i>		
iv.	<b>Repayment of bank borrowings:-</b>	<b>6,601</b>	<b>22.41</b>	<b>6,469</b>		<b>Within 6 months</b>
	- <i>Commodity murabahah term financing: Purchase of Vertical Business Suite 03-08</i>	<i>2,442</i>	<i>8.29</i>	<i>2,404</i>		
	- <i>Term loan: Refinancing of Shamelin Office</i>	<i>1,836</i>	<i>6.23</i>	<i>1,824</i>		
	- <i>Term loan: Purchase of Vertical Business Suite 03-06</i>	<i>1,651</i>	<i>5.61</i>	<i>1,593</i>		
	- <i>Term loan: Purchase of Vertical Business Suite 03-07</i>	<i>672</i>	<i>2.28</i>	<i>648</i>		
v.	<b>Estimated listing expenses</b>	<b>3,500</b>	<b>11.88</b>	<b>3,232</b>		<b>Within 3 months</b>
	<b>Total</b>	<b>29,458</b>	<b>100.00</b>	<b>9,802</b>		

The use of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 28 June 2018.

**B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B8. Group Borrowings and Debt Securities**

The Group's borrowings as at 31 December 2018 are as follows:

	<b>Unaudited 31.12.18 RM'000</b>	<b>Audited 31.12.17 RM'000</b>
<b>Current:</b>		
Hire purchase payables	170	161
Term loans	592	1,113
	<u>762</u>	<u>1,274</u>
<b>Non-current:</b>		
Hire purchase payables	497	667
Term loans	1,415	8,258
	<u>1,912</u>	<u>8,925</u>

All the borrowings are secured and denominated in Ringgit Malaysia.

**B9. Material Litigation**

As at the date of this report, the Group is not engaged in any material litigation.

**B10. Dividend**

No dividend has been declared or recommended for payment by the Company during the current financial quarter under review.

**B11. Earnings Per Share**

The basic and diluted earnings per share for the current financial quarter and year-to-date are computed as follows:

	<b>Quarter Ended</b>		<b>Year-To-Date Ended</b>	
	<b>31.12.18 RM'000</b>	<b>31.12.17<sup>(3)</sup> RM'000</b>	<b>31.12.18 RM'000</b>	<b>31.12.17<sup>(3)</sup> RM'000</b>
Profit after tax attributable to owners of the Company	<u>101</u>	<u>N/A</u>	<u>3,013</u>	<u>N/A</u>
	<b>Quarter Ended</b>		<b>Year-To-Date Ended</b>	
	<b>31.12.18</b>	<b>31.12.17<sup>(3)</sup></b>	<b>31.12.18</b>	<b>31.12.17<sup>(3)</sup></b>
Weighted average number of ordinary shares				
At 1 January ('000)	397,120	N/A	397,120	N/A
Issuance of new shares	128,080	N/A	128,080	N/A
At 31 December ('000)	<u>525,200</u>	<u>N/A</u>	<u>525,200</u>	<u>N/A</u>

**B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**
**B11. Earnings Per Share (Cont'd)**

	<b>Quarter Ended</b>		<b>Year-To-Date Ended</b>	
	<b>31.12.18</b>	<b>31.12.17<sup>(3)</sup></b>	<b>31.12.18</b>	<b>31.12.17<sup>(3)</sup></b>
Earnings per share attributable to owners of the Company				
- Basic <sup>(1)</sup> (Sen)	0.02	N/A	0.57	N/A
- Diluted <sup>(2)</sup> (Sen)	<u>0.02</u>	<u>N/A</u>	<u>0.57</u>	<u>N/A</u>

**Notes:**

- (1) The basic earnings per share is computed based on profit after tax attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 31 December 2018.
- (2) The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities.
- (3) No comparative figures for the preceding year's quarter and year-to-date is available as this is the first interim financial report on the consolidated results for the fourth quarter ended 31 December 2018 announced by the Company in compliance with the Listing Requirements.

N/A Not applicable

**B12. Notes to the Statements of Profit or Loss and Other Comprehensive Income**

Profit before taxation is arrived at after charging / (crediting):-

	<b>Quarter Ended</b>		<b>Year-To-Date Ended</b>	
	<b>31.12.18</b>	<b>31.12.17<sup>(1)</sup></b>	<b>31.12.18</b>	<b>31.12.17<sup>(1)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation	179	N/A	672	N/A
Interest income	(318)	N/A	(527)	N/A
Interest expenses	155	N/A	571	N/A
Realised loss on foreign exchange	182	N/A	125	N/A
Unrealised loss on foreign exchange	28	N/A	23	N/A
Writeback of impairment losses on trade receivable	<u>(47)</u>	<u>N/A</u>	<u>(328)</u>	<u>N/A</u>

**Notes:**

- (1) No comparative figures for the preceding year's quarter and year-to-date are available as this is the first interim financial report on the consolidated results for the fourth quarter ended 31 December 2018 announced by the Company in compliance with the Listing Requirements.

N/A Not applicable

**BY ORDER OF THE BOARD**